
Working After Retirement

When you return to work in a TRS-covered position after a normal retirement—not early retirement and not Retirement Incentive Program (RIP)—you have two options available: the Standard Option and the Waiver Option.

This Waiver Option only takes effect if a school district declares it has or anticipates having a shortage of teachers qualified to teach in a particular discipline or specialty. Subject to this declaration, a retired teacher who took normal retirement (not RIP and not early) and has been terminated for at least 30 days may elect the Waiver Option when reemployed. The Waiver Option must be selected within 30 days of reemployment and allows the employee to elect continuation of retirement benefit payments during reemployment.

When you return to work in a permanent full-time or part-time position after an early retirement, you can only choose the Standard Option.

There are special restrictions on returning to employment in the TRS and the Public Employees' Retirement System (PERS) if you retired under a RIP or retired early. If you retired under the 1996–2000 RIP, there are certain conditions on returning to work for the TRS, PERS, Judicial Retirement System (JRS), and the University Optional Retirement Program.

Standard Option

When you go back to work, your retirement benefit will be suspended until you terminate employment. TRS contributions will be deducted from your paycheck and you will accrue TRS service.

If you have reemployed in a TRS-covered position and are once again making TRS contributions, you will earn an additional retirement benefit calculated on the service and salaries earned by your second period of employment.

WARNING: If you receive a contract for 172 days or more (a full year of service) your reemployment date is July 1. Your retirement benefit payments will stop as of June 30. If you work less than 172 days, you will only receive a partial year of credit and your reemployment date is your actual date of hire.

When you retire again, you must notify the Division and apply for any additional retirement benefit you have earned.

Waiver Option

You will continue to receive your retirement benefit payments during reemployment. You will not pay any TRS contributions and you will not accrue TRS service as long as the waiver program is in effect.

This legislation was enacted during the 2001 legislative session to attract and retain a strong Alaska workforce. The law is effective July 1, 2001, and ends June 30, 2005. If the legislature does not extend this special legislation, as of July 1, 2005, your retirement benefit will stop and you will begin making contributions to the TRS.

Retirement Incentive Programs

If you retired under a Retirement Incentive Program (RIP) and are considering returning to work in a position covered by either the TRS, PERS, or the JRS, please contact the Division before accepting employment because you will:

- ◆ Forfeit the three years of incentive credit you received; and
- ◆ Owe the TRS 110% of the additional benefits you received as a result of your participation in the RIP, including any costs for health insurance if you were not otherwise eligible to retire.

An indebtedness will be established for what you owe and will be reduced by the amount you paid to participate in the RIP.

Interest (currently 7%) will accrue on your indebtedness from the date you become reemployed until the indebtedness is either completely paid or you retire again. Any balance remaining when you retire again will result in an actuarial reduction to your future retirement benefits.

If you retired under the 1996–2000 RIP, you are prohibited from entering into professional services contracts within the University of Alaska or a state agency or returning to state employment in a temporary or nonpermanent capacity for three years after you retire.

State of Alaska RIP retirees cannot contract with the state agency from which they were employed at the time of appointment to retirement.

Exceptions

- ◆ Personal services contracts may be allowed by the University Board of Regents for the University, and the Commissioner of Administration for the State, when there is a compelling reason to hire an employee who has specialized or extensive experience relating to a particular program or project;
- ◆ Personal services contracts with the legislature are allowed during legislative sessions for hourly individuals who are not eligible for retirement, health, or leave benefits;
- ◆ Personal services contracts with the University of Alaska may be allowed for individuals who are employed to teach or perform research duties; or
- ◆ Personal services contracts during the three or five year restrictions with a state agency or the University of Alaska if it is determined that there is a compelling reason to do so because of an individual's specialized or extensive experience that relates to a particular program or project.

For more information please read the TRS brochure *Working After Retirement*.

